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IN THE

Supreme Court of the United States

October Term, 1956

No. 934 85

GUSTAV H. BOBERTZ, JR., *Petitioner,*

vs.

GENERAL MOTORS CORPORATION, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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To the Honorable, the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioner, Gustav H. Bobertz, Jr., plaintiff-appellant in the courts below, prays that a Writ of Certiorari issue to review the decision of the United States Court of Appeals for the Sixth Circuit, entered on December 14, 1955, and affirming the Order of the United States District Court for the Eastern District of Michigan, entered on August 20, 1954.

The Order of the District Court denied plaintiff-petitioner a trial and declared by way of summary judgment, over plaintiff's opposing affidavits and one month in advance of the adjourned date of the hearing on defendant's motion for summary judgment, that plaintiff-petitioner's patent on advertising display device is invalid for lack of invention in view of the prior art and is not infringed.

CITATIONS TO OPINIONS BELOW

The opinion of the United States Court of Appeals for the Sixth Circuit is reported in 228 Fed. 2nd 94, copy appended beginning at page 12a.

The Order and opinion of the United States District Court for the Eastern District of Michigan is reported in 126 Fed. Supp. 780, copy appended beginning at page 1a.

JURISDICTION

The jurisdiction of this Court is invoked under the provision of 28 U.S.C., Section 1254(1) and Section 2101(c).

The decision of the Circuit Court of Appeals was entered on December 14, 1955. On application of the petitioner made under the provisions of the Rule 22 (4) of this Court, the time to file petition for writ of certiorari was extended by the Order of this Court dated February 29, 1956, to and including May 12, 1956. Respondent was duly notified of the extension.

QUESTIONS PRESENTED

1. Was plaintiff-petitioner deprived of procedural due process by the action of the District Court in invalidating plaintiff-petitioner's patent, as lacking invention over the prior art, by a summary judgment

made upon examination of the prior art and of the pre-trial discovery record in chambers and denying plaintiff-petitioner a trial to present testimony on controverted questions of fact?

2. Was the Court of Appeals correct in approving the action of the District Court in that Court's finding, upon consideration of the prior art and discovery record in chambers, that the invention disclosed by the petitioner's patent was simple, obvious and, therefore, unpatentable as measured by the high standard of invention established by this Court in *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, and yet deny petitioner a trial to present his proofs to disprove the charge of obviousness and invalidity, particularly where petitioner sought to present evidence showing:

(a) that the problem solved by the patented solution was of long standing, and one which those skilled in the art failed to solve after many attempts;

(b) that constructions of the prior art relied on as anticipation of the patented invention were wholly inoperative for the purposes of the invention;

(c) that patentee's solution produced new and unexpected results, was incomparably superior to anything theretofore known in that field, and that these facts were admitted even by the defendant itself in the most emphatic terms in operating instructions to its dealers;

(d) that the patented and the accused devices did not operate in the manner pressed on the court by the defendant;

(e) that the mode of operation and the actual advantages of the patented device were different

from what defendant said and that resulting from a complicated phenomenon of physics, they were not comprehensible from the record.

3. On defendant's motion for summary judgment, was the District Court justified in assuming, as a jurisdictional prerequisite to its power to grant summary judgment, that there was no dispute as to any material facts, where plaintiff-petitioner's assertions in his answer to the motion and in the opposing affidavits presented by him were to the effect that the allegations of fact contained in supporting affidavits of defendant's employees were evasive and incorrect, that defendant's exhibits were improper and clouded the nature of the invention, its actual operation and advantages as well as construction of the accused device, and that proper exhibits were necessary for the Court's understanding of the invention and as part of plaintiff's proofs on the issues of both validity and infringement?

4. Is the decision of the Court of Appeals for the Sixth Circuit, appealed from, in conflict with the decision of the Circuit Court of Appeals for the Ninth Circuit in *Hycon Mfg. Co.* v. *H. Koch & Sons*, 1955, 219 Fed. 2nd 353?

STATEMENT

This is a suit commenced by the petitioner on April 27, 1950, in Detroit, Michigan, under the patent laws of the United States for infringement by the respondent of petitioner's patent No. 1,911,600, issued May 30, 1933.

The patent, which expired after the suit was brought, relates to an advertising display device for automobile

showrooms, invented and developed at a high cost to themselves by the petitioner and his co-inventor La-Fontaine, then in partnership as designers and manufacturers of advertising displays for the automobile industry. The device made it possible to set up automobile showroom displays, with the displayed automobile having the major portion of its mechanical *interior*, particularly the engine, *exposed* and *open to view* for close examination of an observer standing next to the automobile, while to an observer standing at some distance away, the same automobile appeared with its *interior invisible* and in full beauty of its exterior artistic design, with its exterior surfaces appearing unchanged and uninterrupted by any holes or gaps.

Such operation of the display was attained by substituting on the displayed automobile, and for the purposes of display only, its entire steel engine hood with a highly polished shell of transparent plastic, having configuration of its surfaces as in the steel hood and certain constructional features as disclosed in the patent. Because of the operation of certain laws of physics, such shell created the optical effect described above, and produced a remarkably illustrious display, invariably attracting large crowds.

The former practice of keeping the engine hood on a displayed automobile raised all the way up to expose the engine to view was greatly objectionable as spoiling the artistic appearance of the displayed automobile and also as causing accidents to children who might get their hands into the fan. Cutting holes and providing windows in the conventional steel hood was equally objectionable as changing and spoiling the appearance of the automobile, and was unacceptable for showroom purposes.

The results of the patented construction, while explainable by physicists as a matter of hindsight, were wholly unexpected and a great surprise to those skilled in the art. The patented solution of the petitioner was immediately accepted by the industry, and the patented all-plastic shells designed for displaying various makes and models of automobiles were sold by the petitioner to automobile dealers all over the country, and they were purchased even by the defendant itself. An immediate attempt of infringement was stopped by a court action.

In planning its 1949 national advertising campaign for Oldsmobile automobiles, the top management of the defendant received advice from its advertising agency, D. P. Brothers & Co., which knew of plaintiff's device, that the solution of problems with which the management was most seriously concerned but for which they saw no solution lay in basing all of its displays on the use of the all-plastic shell or engine hood. The defendant accepted this suggestion, organized the manufacturing, and used a large number of the devices to the total exclusion of the plaintiff. The defendant found that plaintiff's device was a real sensation in the showroom.

The infringement was organized as a project controlled directly by the defendant but in the name and appearance of a "sales company". The actual manufacturing was done out of the state, and the "sales company" was quietly dissolved after the acts of infringement were completed, its directors going out of the state after the notice of infringement was served.

Such organization of the infringing project made it possible for the defendant to claim to be merely an in-

nocent purchaser of a few accused hoods, and say that plaintiff should sue the "sales company" or each of the 5000 individual dealers all over the country who had actually used the accused display hoods.

The defendant for nearly four (4) years resisted discovery requests as to its contractual relationship with the "sales company" as well as requests to discover evidence material to validity and infringement, and the litigation turned into a long drawn-out, most difficult procedure exhausting for the plaintiff-inventor. Although the vital evidence did not reach the District Court, the record of the case, filled with motions and briefs on various collateral issues, became very voluminous (Pl. R. 69a, line 19).

Plaintiff-petitioner finally forced defendant to admit that it was the principal in the acts of infringement, and secured some evidence including defendant's own admissions which were to be part of plaintiff's proofs at the trial (Pl. R. 65a-66a).

Plaintiff-petitioner moved for leave to file an amended complaint (Pl. R. 40a-41a) to aver new facts that had come into his possession and to make the action one at law for damages only. Defendant immediately countered with a motion for summary judgment, presenting some physical exhibits and three (3) supporting affidavits, all from defendant's own employees. Allegations of these affidavits were denied by the opposing affidavits of plaintiff-petitioner (Pl. R. 52a-54a) and of his expert Tjaarda, an automobile designer and stylist of world renown (Pl. R. 55a-60a). Defendant's exhibits were objected to by the plaintiff as improper. Plaintiff also denied that elements of the patented construction were old or that they op-

erated in the patented construction as did elements of the prior art.

At the oral argument on motion on May 24, 1954, defendant made a long oral presentation during which it sought to secure final adjudication of all issues on the basis of a wholly confusing and improper demonstration of a distorted sample of the accused device, in effect merely a piece of dusty and scratched plastic lying by itself on the floor. The Court, in effect, admitted its unfamiliarity with the technical matters involved and wished to ask questions "no matter how it sounds" (Pl. R. 67a-69a).

However, just as plaintiff-petitioner started its oral presentation, the Court adjourned the hearing, because of the late hour, to a new date, July 12, 1954.

In so adjourning the hearing to a new date, the Court stated that it wished to be free to make a decision if the material then before the Court "satisfied all the questions raised here today" (Pl. R. 70a). *The Court also stated that otherwise the parties would hear from the Court before July 12, so the parties would have ample time, if the Court wanted "to accept some other date"* (De. R. 89b, 97). Finally the Court instructed the defendant to present a new sample of the accused hood that would be acceptable to both parties, before the Court would act on the motion (Pl. R. 70a).

On July 9, 1954, the plaintiff received a letter from the defendant's counsel, written at the request of the Court to inform plaintiff-petitioner that due to the Court's *heavy load of work* the hearing was further adjourned until September 20, 1954 (Pl. R. 71a).

Thereupon, on August 20, 1954, i.e. one month in advance of the adjourned date, to the surprise of the

plaintiff-petitioner, the District Court made and entered an Order with opinion, adjudicating all issues of the cause, declaring the patent invalid and uninfringed.

Defendant withheld presentation of the new sample for almost three (3) months after the Court's instructions to present such exhibit and stipulate with plaintiff "as to what it is" (Pl. R. 70a). But only (3) days before entry of the Court's order, defendant notified plaintiff as to location of some such hoods (Pl. R. 73a).

As a result, the District Court never saw the device in operation. The plaintiff-petitioner not only could not present his proofs but even could not make oral argument on the motion for summary judgment, or even explain to the Court how the device actually operated.

The opinion of the District Court contains nothing to show that the Court understood what the problem of the prior art was, or that the gist of invention was in the change of the engine hood from the full transparency to expose automobile interior to full view to non-transparency to make such interior invisible and thus to complete the outer surfaces of the body and the elegance and beauty of the artistic lines thereof, or that this feature was even involved in the operation of the patented device.

In the proceedings before the Court of Appeals, the defendant shifted its position with respect to some prior allegations of material facts and raised new issues of fact immediately joined by plaintiff-petitioner.

Defendant also represented to the Court of Appeals by new photographs and other material not therefore

on the record that use of automobile displays in accordance with plaintiff-petitioner's disclosures was discontinued by the defendant after one year's campaign as unsuitable for "rough roads", and was substituted by the cutting of windows in steel engine hoods. Plaintiff-petitioner denied reasons of the defendant as a subterfuge resorted to by the defendant. At the time of making such presentation to the Court of Appeals, defendant was preparing displays of its Chevrolet automobiles in accordance with plaintiff's disclosure, including a mammoth stand moving a full size Chevrolet automobile like a toy through a cycle of motions, toward and away from the observer, to demonstrate the surprising change of the all-plastic engine hood from full transparency to expose the interior, to full non-transparency to make the interior invisible and to complete the exterior surfaces of the body lines. Such displays were exhibited several weeks later, and demonstrated for thousands to see the very gist of petitioner's invention, which never became known to the courts below.

The Court of Appeals affirmed summary holding of invalidity on the ground that invention was simple and comprehensible by the Court without expert testimony; that it had not met the high standard of invention established by this Court; that the exhaustive discovery eliminated all factual issues; that in view of invalidity of the patent all other questions and issues became moot.

REASONS FOR GRANTING THE WRIT

The writ of certiorari shold be granted for the following reasons:

1. To resolve the conflict between the decision of the United States Court of Appeals for the Sixth Circuit appealed from and the decision of the United States Court of Appeals for the Ninth Circuit in *Hycon Mfg. Co.* v. *H. Koch & Sons,* 1955, 219 Fed. 2nd 353, as to whether or not district courts have power to make final adjudication of patent causes, particularly on the issue of validity in view of the prior art, by summary judgments after consideration of the pre-trial record in chambers and in spite of the fact that patentee seeks to present proofs on the issues before the court.

2. To resolve the uncertainty caused by the interpretation of the decision of this Court in *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.,* 340 U.S. 147, as having established a high standard of invention, which "simple" inventions cannot meet, thus entitling the defendant in such a case to judgment in its favor as a matter of law and, consequently, by way of a summary judgment.

3. To review and to limit the resulting growing tendency on the part of the courts to dispose of patent cases by way of summary judgments.

4. To prevent further development of a resulting situation already evolving in the automobile industry, which is not in accord with the constitutionally intended operation of the patent system.

1.

The Decision of the Court of Appeals Is Not Justified by, and Is Contrary to the Applicable and to the Applied Decisions of This Court and Is in Direct Conflict With a Decision of the Court of Appeals for the Ninth Circuit

(a)

In the appealed decision, the Court of Appeals for the Sixth Circuit held, in effect, that the District Court was justified in adjudicating the issue of validity of the patent in suit in view of the prior art, without a trial but by study in chambers of the prior art and various documents contained in the pre-trial record, if the Court could understand the same without the help of experts; that the Court could study exhibits without a trial and make deductions therefrom as to what matters such exhibits were intended by the parties to demonstrate and how such matters bear on the issues before the Court; that the Court need not bind itself to give hearing to the parties or to the plaintiff; that denials of plaintiff's opposing affidavits or his efforts to present his proofs were immaterial to the Court's power to make a summary judgment.

On the other hand, the Circuit Court of Appeals for the Ninth Circuit held that motion for summary judgment in a patent case, particularly on the issue of validity, cannot be granted even when both sides move for it. That even when all facts are stipulated, submission on that basis would require a trial. And where there was an effort to present some testimony, which was precluded by summary judgment, the case must be remanded for trial.

In the appealed decision, the Court of Appeals for the Sixth Circuit held, in effect, that when the district court considers discovery to be exhaustive and elimi-

nating factual issues, it can assume that all proofs are documentary and are all before the Court. And if the Court can understand the subject matter of the invention without expert help, it should give summary judgment and thus save parties expense of trial.

On the other hand, the Court of Appeals for the Ninth Circuit held that even if the proof is all documentary and is all before the trial court, the existence of the basis of fact in documentary form or in agreed statement of the parties does not transmute such propositions into question of law; that any tendency to abolish trial in patent cases for consideration of documents in camera should be curbed.

(b)

In confirming the summary order of the District Court, the Court of Appeals for the Sixth Circuit relied heavily on the decisions of this Court in *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84, and *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147. However, in applying these decisions and suggesting that they support a summary disposition of patent cases, the Court of Appeals interpreted these decisions beyond their actual holding and thus, in effect, authorized a departure from the established procedure of adjudicating patent causes.

Both of these cases were decided after full trials, with the respective plaintiffs given full opportunity to bring their proofs to disprove in open court the charge of obviousness.

In the decision appealed from, plaintiff's efforts to bring his proof were blocked by the defendant's

motion for summary judgment. The evidence in possession of the plaintiff was of a nature which, under many decisions of this Court, was material on the issues before the District Court.

Unlike in the applied decisions, summary decision of the District Court in the present case enabled the defendant to suppress plaintiff's vital evidence and proofs. The Court of Appeals failed to dispose of this question and did not mention it in its decision.

In *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, as the result of the open trial it was found that all of the elements of the claimed patented combination were old and there was no finding that they performed any additional or different function in the combination than they performed out of it. There was no dispute in that case, as there was in the present case, as to how the patented device operated. In the present case, the plaintiff denied that elements of the patented combination operated in the same manner as elements of the constructions of the prior art.

Plaintiff-petitioner sought to present at the trial evidence by testimony of witnesses, including his own testimony, and demonstration of physical exhibits that operation of the patented device and of the accused device was entirely different from what defendant said, and that critical advantages of plaintiff's device were not apparent from the record or from the defendant's exhibits which were misleading and concealed the true operation of the patented device; that elements of the patented construction operated differently from those of the prior art and were not the same elements; that the problem solved by the pat-

ented device was one of long standing which those skilled in the art failed to solve after numerous attempts; that the patented solution produced new and unexpected results and that the defendant itself admitted this fact in the most emphatic and undeniable manner as proved by evidence not yet before the court. Defendant denied these facts. Yet the District Court found that there was no dispute as to any material facts and denied plaintiff-petitioner a trial.

The doctrine not disputed by the plaintiff-petitioner that the District Court has the discretion to dispense with the help of experts if the court understands the testimony is *not* the authority to refuse the very presentation of the testimony and to deny trial. Rather it is a substitution of the court's own knowledge of a fact for that of a witness. A presumption that invention cannot be anything else or involve anything else than the court derived from the pre-trial record on the basis of the court's own knowledge or study of the art and after hearing the defendant only is a presumption which, in many cases, may result in great embarrassment of judicial process as was shown in an early but strikingly similar case, *Hogan et al.* v. *Westmoreland Specialty Co., et al.*, 163 Fed. 289 and 167 Fed. 327, C.C.A., 3rd Cir. The decision in that case is also in direct conflict with the decision appealed from.

No court was ever able to give a test or definition of invention, or a legal formula to determine, apart from all pertinent facts of the case, whether a patented construction was or was not obvious to those skilled in the art. In *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, this Court emphatically stated that the Court was not giving such a

definition then, and that the Court had never ventured to give it. Giving such a definition would be, in effect, providing a formula for determining whether or not in devising a patented construction the inventor reached beyond the expected performance of a prudent man skilled in that particular art. Such legal formula or definition for the purposes of patent law is no more possible than a definition or formula for the purposes of other fields of law to determine whether a person in his conduct went beyond the expected behavior of a reasonably prudent man. An answer to such question cannot be given by taking an act in a vacuum, i.e. by itself, and apart from *all* pertinent facts of the case.

In *United States* v. *Esnault-Pelterie*, 299 U.S. 201, this Court stated that "Validity and infringement are ultimate facts on which depends the question of liability. In actions at law they are to be decided by the jury."

By the decision in *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, this Court has not taken away from the patentee his right, respected by the courts for over 100 years in adjudicating patent cases, to present in open court for everyone to hear evidence disproving defendant's allegations of obviousness and invalidity of the patent. By the decision appealed from, the Court of Appeals, in effect, has authorized denying the patentee such right.

There is no such authority granted to the district courts by the decisions of this Court in *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, or in *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84. Decisions of other

circuit courts of appeal relied on by the courts below also do not provide such authority. They are cases where issue of validity was not adjudicated or where both parties stipulated operative facts or even moved for summary judgment jointly, or where no evidence was admissible on the issues which were before the court. The Court of Appeals decided in this case the issue of validity only.

(c)

The Court of Appeals, in effect, authorized district courts to declare patents invalid by making from a pretrial record a series of progressive presumptions, one based on the other, and without allowing the patentee to disprove any of them.

The fact that the district court, after listening to the defendant only, may feel that it understands the record fully is a mere presumption until the court hears the plaintiff's side. Until the court understands by listening to both sides how the patented device operates and sees exhibits of both sides, rather than exhibits of one side only and objected to by the other side at that, a finding that invention is simple and its operation is clear from the record would also be a mere presumption. Even if the invention is simple, the problem which it solved may be one of great technological complexity and difficulty. Therefore, finding that since the invention is simple, so must have been the problem that it solved, and, therefore, the solution was obvious to anyone skilled in the art, is making more presumptions.

If the plaintiff is denied the right to present his proofs in such a situation, the results of such procedure is, in effect, substitution of the presumption of validity

of an issued patent by a *conclusive* presumption of invalidity. In *Hycon Mfg. Co.* v. *H. Koch & Sons,* C.C.A. 9th Cir., 1955, 219 Fed. 2nd, 353, the Court stated: "Because of the peculiar character of the process of reconsideration by a court in a field where presumption of validity of an administrative finding has, to say the least, been weakened, any tendency to abolish trial in patent cases for consideration of documents in camera should be curbed."

A patent, that is conclusively presumed to be invalid as soon as defendant makes a motion for summary judgment alleging its obviousness and invalidity, is a useless and wholly meaningless grant. Such a grant would be greatly inferior even to the registration of a claim of copyright, since, on the basis of the latter, plaintiff still can bring his proofs to disprove lack of originality.

2.

Plaintiff-Petitioner's Main Evidence and Physical Exhibits Were Not on Discovery Record on Which Summary Judgment Was Made and Were Never Seen by the District Court

(a)

There were no formal defects in the patent in suit. There was no stipulation of the parties regarding operative facts of the case, but on the contrary there was a sharp dispute.

Therefore, deciding such a case on the pre-trial record in view of, in effect, an assumption that the discovery record contained all the proofs which the patentee could present was, in effect, a failure to distinguish between discovery and proof.

Plaintiff-petitioner's diagrams (Pl. Ex. D, E, F, G,—Pl. R. 61a-64a) attached to his answer to the motion did not contain his material proofs. They were presented merely to defeat defendant's maneuver to get summary judgment by avoiding presentation of a proper sample of the accused device and contending that plaintiff admitted absence in the accused hood of some elements of the claimed combination. Plaintiff's charts merely specified by what evidence these and other allegations of defendant were to be disproved at the trial.

Deposition of plaintiff-petitioner Bobertz relied on by the defendant and the courts below was taken four (4) years prior to the motion for summary judgment and did not include plaintiff-petitioner's testimony to be given at the trial and based on evidence secured over the period of four (4) years. Neither was it a proof that solution of the problem of the prior art must have occurred to plaintiff-petitioner as obvious after he saw a Plymouth automobile on the street with holes cut in the sides of the steel engine hood. Plaintiff-petitioner was to disprove such a presumption at the trial by evidence showing that such holes were cut in steel engine hoods several times over the period of twenty (20) years prior to his invention, and several such automobiles had been driven around the country without inspiring anyone else to make plaintiff's solution or making it obvious.

Deciding cases on a discovery record affords possibilities of mistaken decisions on insufficient evidence, wrong evidence, as well as the danger that such decision would not even produce a record from which it could be ascertained later what the actual facts of the case were, what evidence the patentee sought to

produce in order to disprove defendant's allegation of invalidity, and why such evidence was not admitted. The process of making such decisions may be administrative rather than judicial in its nature.

(b)

Where such a drastic remedy as denying parties a trial is involved, it is essential that the procedure established for summary judgments be strictly followed and safeguards for protection of the parties be observed, lest summary judgments change the established court procedure for adjudication of civil causes and become a vicious means for suppressing the truth.

This Court by *Sartor et al.* v. *Arkansas Natural Gas Corp.*, 1944, 321 U.S. 620, authorized summary judgment only where it is quite clear what the truth is and no genuine issues remain for trial.

Accordingly, the circuit court of appeals repeatedly cautioned the district courts that any doubt should be resolved against granting a summary judgment; that plaintiff has the right to trial where there is the slightest doubt as to the facts. Particularly, it was held that summary judgment upon a motion therefor by a defendant should never be entered except where the defendant is entitled to its allowance beyond all doubts, *Taylor* v. *Black, Sivalls & Byson, Inc.*, C.C.A., 8th Cir., 1951, 189 Fed. 2nd 213. That the summary procedure does not apply unless evidence is too incredible to be accepted by reasonable minds or is without legal probative force even if it is true, *Cases* v. *U. S.*, C.C.A., 7th Cir., 1954, 211 Fed. 2nd 249. That where evidence is such that conflicting inferences could be drawn therefrom, the District Court has no jurisdiction on motion for summary judgment to determine

what such inferences should be, *Paul E. Hawkinson Co.* v. *Dennis et al.*, C.C.A., 5th Cir., 1948, 166 Fed. 2nd 61. The court held also that considerations of saving time for litigants should be applied with caution, since time has often been lost by reversals of summary judgments improperly entered. Particularly, in *Doehler Metal Furniture Co., Inc.* v. *United States*, C.C.A. 2nd Cir., 1945, 149 Fed. 2nd 135, the Court stated: "Such a judgment, wisely used, is a praiseworthy time saving device. But, although prompt dispatch of judicial business is a virtue, it is neither the sole nor the primary purpose for which courts have been established. Denial of a trial on disputed facts is worse than delay."

The procedure followed by the District Court on defendant's motion for summary judgment in the present case was contradictory and led to misunderstandings.

The Court's instructions to the defendant to present a new exhibit, i.e. a new sample of the accused display hood, acceptance of which was to be stipulated by both parties, and defendant's undertaking to do that was, in effect, admission of presence of disputed issues and agreement by all concerned as to the next step in the procedure. Defendant-respondent did not discharge its obligation in that respect by writing a letter to the plaintiff-petitioner, regarding location of some such hoods, three (3) days prior to entry of the summary judgment.

The notice sent by the defendant-respondent to the plaintiff-petitioner, in effect, in the name of the District Judge could be understood only in one way, namely, that the hearing was adjourned due to the Court's *heavy load of work* until September 20, 1954

(Pl. R. 71a). If it meant something else, plaintiff-petitioner was entitled to be so advised clearly.

But even assuming that such clear communication meant something different than what it expressly stated, there is a serious doubt whether it is proper for a district court on defendant's motion for summary judgment to afford defendant as full an oral hearing as defendant desired, and, thereupon, terminate further hearing on motion with a statement that plaintiff may present whatever he had for the court's inspection, and that the court wished to be free to make its decision in chambers.

Such a procedure is, in effect, substitution of open trials by administrative decisions in chambers. The courts unquestionably have the discretion to hear certain types of evidence in chambers, such as trade secrets, but even in those cases the evidence is regularly presented. In the present case, the plaintiff-petitioner had to present testimony of witnesses, demonstrate a number of physical exhibits which could be easily misunderstood or be entirely meaningless to the court without a proper demonstration. Such condition unquestionably called for a trial.

3.

Allegations of Fact Contained in the Supporting Affidavits of Defendant's Employees Were Denied by the Opposing Affidavits Presented by Plaintiff-Petitioner and Should Not Have Been Accepted as Presenting Undisputed Facts

All of the three (3) affidavits presented by the defendant in support of its motion for summary judgment were from its own employees. Opposing affidavits presented by the plaintiff-petitioner denied allegations of fact made in the affidavits presented by the defendant,

and plaintiff-petitioner was to call the affiants for cross-examination at the trial. By denying the plaintiff-petitioner a trial, the District Court, in effect, accepted the disputed allegations of defendant's affidavits as facts, rejected plaintiff-petitioner's affidavits and thus tried the case on the affidavits in advance of trial.

In *Sartor et al.* v. *Arkansas Natural Gas Corp.*, 1944, 321 U.S. 620, this Court reversed the summary judgment and held that where defendant attempted to establish absence of triable issue by affidavits of eight (8) persons, most of them defendant's own employees, and, therefore, interested witnesses, this fact gave rise to the question of credibility of such witnesses, a matter best judged at the trial.

The Court of Appeals merely stated that there was no justification for plaintiff-petitioner's complaint that the District Court should not have made or entered summary judgment after the case had been set *for trial.*

This was not the question on appeal. Plaintiff-petitioner agrees that the District Court has full discretion to make a decision on motion for summary judgment irrespective of the fact whether or not the case is set for trial. The gist of the complaint was that when such a drastic remedy as granting summary judgment is involved, granting said judgment when the *hearing on motion for summary judgment* itself is interrupted, is incomplete, and is expressly adjourned after listening to defendant only, resulted in the District Court's making the decision not on the actual facts of the case but on a set of hypothetical facts set up by the defendant to suit its piracies.

4.

The decision of the Court of Appeals for the Sixth Circuit, while not being fully predictable as to its consequences on the industry which it is to affect most, namely, the automobile industry concentrated in the Sixth Circuit, unquestionably creates serious uncertainty for nearly 30,000 manufacturer-suppliers working in that industry and investing capital into originating and developing various automobile components and parts in reliance on patent grants, and selling in that very special market, often limited to a single outlet only.

Patents of such manufacturer-suppliers have been operating to a certain extent as a stabilizing factor in that industry as a result of a naturally evolved situation. Such situation has been characterized by tacit but non-committing recognition of such patents by the portion of the industry concerned therewith, with the patent owner receiving some portion of the business in exchange for royalty-free licenses to several alternative sources of supply.

The workable balance thus achieved over quite a number of years may now be disturbed. As a result, numerous resourceful concerns having considerable investment of capital in plants and research facilities may now be put into a position of total insecurity for their investment and total dependency on a chance in an extremely limited and uncertain market. Such condition cannot encourage investment and progress of the industry but may force many withdrawals therefrom with wasteful liquidation of highly specialized equipment and other assets, and dispersement of skilled personnel and labor. Such a condition may not operate

for the benefit of the automobile industry in its entirety and is not in the public interest. Such uncertainty should be resolved.

CONCLUSION

WHEREFORE, your Petitioner respectfully prays in this petition that this Honorable Court grant a writ of certiorari and bring before this Court the decision of the United States Court of Appeals for the Sixth Circuit.

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